IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORIDNARY ORIGINAL CIVIL JURISIDICTION
MISC.PETITION NO. 48 OF 1998

The Maharashtra State Financial Corpn. .. Petitioner

Vs.

Shri Jaywant C.Anerao and Ors. .. Respondents

Mr.R.R.Arolkar for the petitioner.

None for the respondents

CORAM: S.U. KAMDAR, J.

DATE : 23RD MARCH, 2005.

P.C :

1. The present petition is filed under section 31(1)(aa) of the State Financial Corporation Act, 1951. There was originally a loan was advanced to Asaram Eshwar Bhole for the sum of Rs.3,05,000/- for purchase of Truck bearing no.MH-04-C-2640. Pursuant to the said application amount was disbursed. The terms and conditions of the payment was by monthly instalment with interest @ 15.5% p.a. Sometime in or about 20.02.92 Shri Bhole

requested to transfer the entire outstanding loan with interest thereon along with the vehicle to Respondent No.3. The said proposal was accepted both by respondent no.3 and the petitioner herein. Accordingly, the balance amount of Rs.2,80,000/- was transferred as loan.

2. On 13.4.92 respondent no.1 and 2 has executed the deed of guarantee against the petitioner for repayment of principal amount. Respondent no.3 defaulted in payment of the said loan amount to the petitioner and therefore under sections 29 of SFCs Act hypotheticated asset namely truck was taken over by the petitioner. According to the petitioner the said truck has been sold for Rs.1,10,000/-. Respondents are served. Affidavit of service dt. 23.3.05 is taken on record. None appears for the respondents. There is no reply filed.

3. The petitioner has claimed in the present petition the amount of Rs.8,48,908/-. Rs.1,69,660/- being the principal amount plus Rs.6,59,638/- being interest at the rate of 21%

p.m. plus 3% penal interest i.e. total interest works out at 24% p.m. till the date of filing of the petition and other expenses being Rs.15,610. However, I feel that the rate of interest charge @ 24% is on a much higher side and accordingly I reduce the rate of interest to 15% p.a. Thus, the respondent no.1 and 2 will be liable to make payment of principal amount 1,69,660/- along with interest @ 15% computed by the petitioner and expenses of Rs.19,610/-. In the aforesaid circumstances, Petition disposed o accordingly. There shall be no order as to costs.